REMARKS

This Application has been carefully reviewed in light of the Office Action dated September 11, 2007 ("Office Action"). At the time of the Office Action, Claims 1-16, 19-27, 30-39 and 41-49 were pending in this Application and Claims 50-68 were withdrawn. The Examiner rejects Claims 1-16, 19-27, 30-39 and 41-49. Applicants amend Claims 13 and 24, without prejudice or disclaimer. Applicants' amendments have been made to clarify the claims and not to overcome the cited references. Claims 17-18, 28-29 and 40 were previously canceled without prejudice or disclaimer. Applicants respectfully request reconsideration of the pending claims and favorable action in this case.

Rejections under 35 U.S.C. §103

Claims 1-12 and 48-49 are rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,787,404 issued to Fernandez-Holmann ("*Fernandez-Holmann*") in view of U.S. Patent No. 6,157,914 issued to Seto et al. ("*Seto*") and Raphel, "Supermarketing yesterday, today and tomorrow," Direct Marketing v. 57n3 PP: 8-20 July 1994 -- dialog file 15 id 00891925 ("*Raphel*"). To establish a prima facie case of obviousness, the references cited by the Examiner must disclose all claimed limitations. *In re Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (C.C.P.A. 1974). The question raised under 35 U.S.C. § 103 is whether the cited references, taken as a whole, suggest the claimed invention, taken as a whole, to one of ordinary skill in the art at the time of the invention.

Applicants respectfully submit that the cited references, alone and in combination, fail to disclose, teach, or suggest the limitations recited in Claim 1. For example, Applicants respectfully submit that *Fernandez-Holmann* fails to disclose, teach, or suggest "a transactional component that facilitates an economic transaction, wherein the economic transaction comprises a purchasing or ordering of goods or services from the company." In fact, *Fernandez-Holmann* teaches away from the recited claim limitations by disclosing that tracking point-of-sale transactions at selected merchants for a particular consumer is "disadvantageous since particular merchants are required to be associated with the system, and the consumer may only make purchases at those merchants in order to receive the rebate into his account." Col. 1, ll. 56-63. *Fernandez-Holmann* further discloses that "[i]t is still [a]

further object of the present invention to provide such a system which gives the consumer automatic rebate-funded payments into his investment account . . . which is not dependent on merchants or stores becoming members of the particular rebate plan." Col. 2, ll. 14-20. The controlling case law, rules, and guidelines instruct that a reference "must be considered in its entirety, i.e. as a whole, including portions that would lead away from the claimed invention." M.P.E.P. § 2141.02(VI) (*citing W.L. Gore & Assoc., Inc. v. Garlock, Inc.*, 721 F.2d 1540 (Fed. Cir. 1983)) (emphasis in original). *See also KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1739 (2007) (when the cited reference teaches away from combining certain elements, discovery of a successful means of combining them is more likely to be nonobvious). Furthermore, "[i]f the proposed modification or combination of the [reference] would change the principle of operation of the [reference] being modified, then the teachings of the reference[] are not sufficient to render the claims *prima facie* obvious." M.P.E.P. § 2143.01(VI) (*citing In re Ratti*, 270 F.2d 810 (C.C.P.A. 1959)). The teachings of *Fernandez-Holman*, in combination with *Seto* and *Raphel*, are not sufficient to render the claims of the present Application *prima facie* obvious. Applicants have explained the deficiencies of *Fernandez-Holman* in a previous response, but the Examiner has failed to address this argument. Applicants respectfully request reconsideration and allowance of Claim 1 and its dependents.

Furthermore, it is improper for an Examiner to use hindsight having read the Applicants' disclosure to arrive at an obviousness rejection. *In re Fine*, 837 F.2d 1071, 1075, 5 U.S.P.Q.2d 1596, 1600 (Fed. Cir. 1988). Examiners should be aware "of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning." *KSR Int'l.*, 127 S. Ct. at 1742. The Examiner relies on a combination of three references from different fields, at least one of which (*Fernandez-Holman*) teaches away from the claim limitations, to reject Claims 1-12 and 48-49. Applicants respectfully submit that the Examiner's piecemeal rejection qualifies as impermissible hindsight reconstruction.

For at least the above discussed reasons, Applicants respectfully submit that the rejection of Claim 1 and its dependents under 35 U.S.C. §103(a) is improper. Accordingly, Applicants respectfully request reconsideration and allowance of independent Claim 1 and its dependents.

Claims 13-16, 19-27, 30-39, and 41-49 are rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,418,419 issued to Nieboer et al. ("*Nieboer*") in view of *Raphel* and Martin et al., "Basic Financial Management," 5th Edition, Prentice Hall Inc., ISBN 0-13-060807-6 ("*Martin*"). To establish a prima facie case of obviousness, the references cited by the Examiner must disclose all claimed limitations. *In re Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (C.C.P.A. 1974).

Applicants respectfully submit that *Nieboer*, *Raphel*, and *Martin*, alone and in combination, fail to disclose, teach, or suggest the limitations of Claim 13. For example, the cited references fail to disclose "the transactional processing component operable to: . . . determine, according to a level of the economic activity, that the individual is entitled to convert a first form of ownership in the company to a second form of ownership, wherein a risk associated with the first form of ownership is limited to a predetermined amount, the predetermined amount being less than an initial investment of the individual in the first form of ownership," as recited in Claim 13. Instead, *Nieboer* discloses that "no transaction can occur when the . . . price is above or below set limits." Col. 19, ll. 65-67. *Nieboer* also discloses that "[a] subscriber can submit a conditional offer to buy/sell." Col. 3, l. 15. *Nieboer* does not disclose "a risk associated with the first form of ownership is limited to a predetermined amount, the predetermined amount being less than an initial investment of the individual in the first form of ownership," as recited in Claim 13. *Raphel* and *Martin* do not account for this deficiency, and the Examiner does not make any assertions to the contrary. Therefore, the cited references do not disclose, teach, or suggest each limitation of Claim 13.

As another example, it is improper for an Examiner to use hindsight having read the Applicants' disclosure to arrive at an obviousness rejection. *In re Fine*, 837 F.2d 1071, 1075, 5 U.S.P.Q.2d 1596, 1600 (Fed. Cir. 1988). Examiners should be aware "of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning." *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1742 (2007). The Examiner relies on a combination of three references that do not disclose, teach, or suggest each recited limitation to reject Claims 13-16, 19-27, 30-39, and 41-49. Applicants respectfully submit that the Examiner's piecemeal rejection qualifies as impermissible hindsight reconstruction.

For at least the above discussed reasons, Applicants respectfully submit that the rejection of Claim 13 under 35 U.S.C. §103(a) is improper. Accordingly, Applicants respectfully request reconsideration and allowance of independent Claim 13 and its dependents.

Independent Claims 24 and 33 each recite certain limitations that, for reasons substantially similar to those discussed with reference to independent Claim 13, *Nieboer, Raphel,* and *Martin*, alone and in combination, do not disclose, teach, or suggest. Therefore, Applicants respectfully request reconsideration and allowance of independent Claims 24 and 33 and their dependents.

CONCLUSION

Applicants have now made an earnest attempt to place this case in condition for immediate allowance. For the foregoing reasons and for all other reasons clear and apparent, Applicants respectfully request reconsideration and allowance of the pending claims.

Applicants believe no fees are due; however, the Commissioner is hereby authorized to charge any additional fees or credit any overpayment to Deposit Account No. 02-0384 of Baker Botts, L.L.P.

If there are matters that can be discussed by telephone to advance prosecution of this application, Applicants invite the Examiner to contact its attorney, Christa Brown-Sanford, at (214) 953-6824.

Respectfully submitted,
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Date: December 10, 2007

SEND CORRESPONDENCE TO:

Customer No. **05073**